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THE CASA DE CONTRATACION OF SEVILLE.

BY

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IX.—THE CASA DE CONTRATACION OF SEVILLE.

By Prof. Bernard Moses.

The establishment of the absolute power of the Spanish Crown made easy the adoption of the fundamental provision of Spain's American policy, namely, that Spanish America should be regarded and treated as subject directly to the King, and not to be controlled by the functionaries hitherto existing for the government of Spain. When it is said that Spain founded her rights in the New World on the celebrated bull of Alexander VI, which was designed to put an end to conflicting pretensions between Spain and Portugal, there is revealed an attempt to conceal the fact that the only claims which Spain or the Spanish King had to lands in America were based on usurpation. Carrying the pretended right back to a grant by the Pope only fixed the act of usurpation one step earlier. But whatever title was transmitted by the papal bull was conveyed to Ferdinand and Isabella, not to the Spanish nation, and the subsequent political and ecclesiastical administration of the affairs of Spanish America was carried on under the presumption that the King was the sole political superior. From a strictly legal point of view Mexico and Peru, and later the other states of equal dignity, appear as kingdoms in a personal union with the Kingdom of Spain, rather than as colonies in the ordinary meaning of that term.

As a consequence of this fundamental fact of Spanish policy, other bodies were created to assist the King in administering the affairs of his American possessions. The first in rank of these special agencies was the Council of the Indies. It was created while Columbus was making preparations for his second voyage, and at the time of its establishment consisted of eight councilors. It was placed under the direction of the archdeacon of Seville, Don Juan de Fonseca. It was required to reside at court, and might be presided over by the King.

It held supreme and exclusive jurisdiction in the affairs of the Indies. The separation of powers, which has become a familiar feature of modern states, was not carefully regarded in Spain in the sixteenth century. The Council of the Indies covered the whole field of governmental activity. It was a legislative body, in that from it proceeded the laws for the government of the Spanish possessions in America; it was also a judicial body, sitting as a court of final appeal for all cases concerning American affairs which were of sufficient importance to be carried to it; and it was, furthermore, an executive body, inasmuch as its advice was sought by the King on all questions of great importance in the administration of the Indies. And in order that it might be in a position to deal wisely with the affairs intrusted to it, it was a part of the King's policy to appoint many of its members from persons who had been in the public service in America or in the Philippine Islands, and had thus acquired great practical knowledge of the transatlantic countries. (Alman, Historia de Mejico, I, p. 35.)

Provision having been made for the management of the political affairs of Spanish America by the establishment of the Council of the Indies, a second body was then created to take immediate control of the economical affairs. This body had its beginning in the exchange of Seville and the custom-house of Cadiz, which were established between the first and second voyages of Columbus (Lafuente, Historia de España, IX, p. 467). When it had taken definite form it was known as the Casa de Contratacion, which may be appropriately designated in English as the India House. It was definitely established at Seville in 1503. In this year it was ordered that a house should be built in the shipyards of Seville for the trade and commerce of the West Indies, the Canaries, and such other islands as were already discovered or might be discovered in the future. To this "house were to be brought all merchandise and other things necessary for the trade, and such as were carried to the said islands and brought from them. And that in the said house there was to be a factor, a treasurer, and an escrivano, register, or clerk, who were to take charge of all the said trade, as would appear to them more fully by an instruction their majesties had ordered to be drawn up to that purpose."[1]

[1] For the details of the organization of the Casa de Contratacion we refer in the first instance to the laws by which it was constituted and the

This organization was made especially necessary by the plan of the Spanish King to subject the trade with America to a rigid and exclusive monopoly. Under its control Seville became the only port from which ships might be sent to America, and through which colonial products might enter in return. The India House took account of everything that concerned the economical affairs of the Indies; it had power to grant licenses, to equip vessels, to determine their destiny, and to give them instructions as to their loading and sailing. In the performance of its ample judicial functions it consulted lawyers who were paid by the Government. From its decisions appeal could be taken only to the Council of the Indies. Its officers consisted of a president, a treasurer, a secretary, an agent, three judges or commissioners, an attorney, and such other ministers and officials as might be provided for by law. If it is said that the Council of the Indies stood for the King in political matters and the India House in economical affairs, the significance of the latter body is not thereby fully presented. The activity of the India House is contrasted with that of the Council of the Indies by its larger executive functions, its more immediate participation in the practical work of administration, and by acting as the agent of the Spanish King in maintaining and carrying out the laws relating to the Indies. Its jurisdiction was without special territorial limits; it covered all matters embraced in the ordinances, and reached all persons who contravened these ordinances. All cases arising from

powers of the several officers were determined. Among the collections of these laws the most important is that known as "Recopilacion de las Leyes de las Indias Occidentales." The most serviceable single book on this subject is Norte de la Contratacion de las Indias Occidentales, compiled by Don Joseph de Veitia Linage, sometime commissioner and treasurer of the Casa. His book was published as a single folio volume in Seville in 1672. It was "made English" by Capt. John Stevens, under the title of the Spanish Rule of Trade to the West Indies. In his preface Mr. Stevens says, "I have not, in the englishing of this work, confined myself to the rules of translation, which would oblige me neither to add nor diminish; for I have done both, only abstracting from the author and others that have been consulted what was solid and material, without swelling the volume to a needless bulk with those things that are no way beneficial or instructive. And to make abundant compensation for those useless matters omitted others of the greatest consequence have been inserted, all with the approbation of persons most knowing in theso affairs." The references here given are to the English volume, which was printed in London for Samuel Crouch, in 1702; see page 2.

theft or any other crime committed on the voyage to or returning from the Indies, in fact, all cases under the laws of the Indies fell within its exclusive province. But in certain cases, where private persons had suffered injury on the voyage from other private persons, the injured party might demand justice either before the judges of the Casa or before an ordinary court of Seville.

In these two organizations, the Council of the Indies and the Casa de Contratacion of Seville, we discover the two special agents employed by the King in carrying out in America the measures of an essentially absolute rule, whether they concerned the political or the economical affairs of his possessions. All offices or bodies established in America for the purpose of exercising authority of any kind whatsoever were subordinate to the King and these agents of his power. The viceroy, the captain general, the legislative, executive, and judicial council known as the audiencia, derived whatever power they exercised directly from the King. The idea of governmental power emanating from the governed found here no application. Under the viceroy and the audiencia the Government of Mexico or Peru was as arbitrary or absolute as that of Spain herself. That there were several viceroys established in the course of time was not a concession to the wishes of the people to have a local government; it was simply a matter of administrative convenience. The audiencia of San Domingo, the first important political body established for the New World and having its seat in the New World, was created by royal appointment and acted for the King. It exercised not only judicial, but also political functions, and sometimes even directed military operations. It superseded the authority of the early discoverers and explorers who, under the title of governor, had been clothed with certain governmental powers. But whatever the titles of the organizations created in America by Spanish authority, they were all designed to contribute to the two great features of Spanish colonial policy, namely, absolute political control and monopolistic privilege in industry and trade.

The first step in carrying out the restrictive commercial policy which Spain had adopted was to limit the commerce with America to a single Spanish port. Seville became the privileged port, and so remained for about two hundred years, until, by the decree of 1717, the India House with all its privileges was

removed to the port of Cadiz. The actual transfer was made in 1718. Down to this time no power had been adequate to break Seville's exclusive privilege. Whatever ships went to America were cleared by the authorities of the port of Seville, although in certain cases they may have actually set sail from the Bay of Cadiz. Ten years later, in 1728, the privilege of Cadiz was invaded. The Company of Guipúzcoa was granted the privilege of trading with the Province of Caracas from the port of San Sebastian. This was the only exception in the policy of exclusiveness till 1765. Then came a change through which other Spanish ports were opened to the American trade; and finally, in 1782, Spanish subjects or members of the colony of New Orleans were permitted to take cargoes from French ports and return to these ports the wares of Louisiana and western Florida. But as indicating the survival of the Spanish infatuation, these traders were not permitted to enter money at the ports of France.

But the restriction as to ports was scarcely less severe at the American end of the route than in Spain. At first a ship might sail to America whenever it was ready and had received the proper license; but later they were allowed to go only in fleets and under a naval escort. This was the usual order, and while it prevailed two fleets were sent annually, one to Porto Bello, on the Isthmus, the other to Vera Cruz, in Mexico. Under the immediate control of the India House, the fleet might not be announced nor the officers chosen except under the order of the Council of the Indies.

Under this arrangement all trade with Mexico had to pass between the port of Seville and that of Vera Cruz; and all trade with South America between Seville and Porto Bello, trade between the several colonies being strictly prohibited. Panama thus became the port of collection and distribution on the Pacific. The exports from the Pacific Coast of South America were gathered here and carried across the Isthmus to Porto Bello, and here was held a fair of forty days' duration, at which the European wares were exchanged for the gold and silver and other products of America. For decades the intercourse between Spain and Spanish South America was annually confined to the few days of unloading and loading the ships of the Spanish fleet. The fair of Porto Bello was, therefore, the great event of the year for the whole of South

America. From it European wares were distributed to Venezuela, Granada, Peru, Chile, and even to Buenos Ayres. But by this system of transportation the prices of the wares imported were increased by 500 or 600 per cent of the original cost. This fair was more especially the great event for the little town of Porto Bello. On the arrival of the vessels most of the inhabitants of the town were accustomed to quit their houses for the advantage of letting them, while others retired to a few rooms in order to make money out of the rest. The poorer quarters were naturally overcrowded, and barracks were erected, principally for the accommodation of the ships' crews, who here kept stalls for the sale of sweetmeats and other things brought from Spain. "But at the conclusion of the fair the ships put to sea, all these buildings were taken down, and the town returned to its former tranquillity and emptiness." (Ulloa, Voyage to South America, I, 88.)

At the time that the India House was organized at Seville to manage the trade with America it was proposed that a building should be constructed for the use of the officers, but by a subsequent order of the same year, 1503, the plan was set aside, and the offices which had been created were kept in the old alcazar. The clerk, whose business it was not only to keep and report the accounts, but also to secure and preserve the books, papers, and records of the trade, was later known as the contador or comptroller. It was at first intended that the commissioners should live in the India House. In 1518, however, Charles V ordered that no one should live in the house, but that it should be held exclusively for trade and the meetings of the officers. In order that the officers of the house might issue proper directions, they were ordered to "consult with and receive information from such persons as were acquainted with the countries discovered;" and the judges of other courts were ordered not to encroach upon their jurisdiction.

The formation of a special corporation at the port of Seville, through which should pass the affairs of the Indies, was one of the first practical indications that these affairs were to be regarded as belonging particularly to the Crown and not to the civil authorities of Spain. In view of the opposition which this policy aroused, the King ordered the "supreme magistrate of Seville not to intermeddle on any account with what concerned the jurisdiction of the India House, but rather diligently to support and maintain it in the privileges granted by him."

(Veitia Linage, p. 7.) Similar commands were issued subsequently, and they were accompanied with the statement that he would not only maintain the new institution, but would add to its authority if necessary. Under Philip II its authority was in fact extended, so that it was a repository not only for the treasures brought from the Indies, but also for certain revenues raised in Andalusia. Even the fitting out of the great armada of 1588 was intrusted to the president and commissioners of the India House, acting in conjunction with the Duke of Medina Sidonia. Their power increased; their credit rose; they appointed officers of fleets and civil magistrates; they granted passes to ships; and in importance and dignity they stood next to the royal councilors. They enjoyed the same privileges and immunities as the judges of chancery and of the other courts. They exercised civil and criminal jurisdiction in all cases involving the owners and masters of ships, sailors, factors and merchants, and those intercepting letters or instructions relating to the Indies. They took cognizance of all crimes committed while sailing to or returning from the Indies, and in these cases no other judges had power to intermeddle; and, according to a decree of 1558, the same method of procedure was followed as in the royal courts of Valladolid and Granada.

Persons violating the ordinances of the India House might be brought from any part of the Spanish King's dominions and be tried by this body in its judicial capacity in Seville. As a court it had, moreover, full jurisdiction over its own officers. In 1655 one of the comptrollers killed another in a street in Seville, and a contest between the India House and the city as to jurisdiction in this case was decided in favor of the former of the contestants. Not only had the India House the extensive jurisdiction here indicated, but it was also subordinate to no council but that of the Indies. And it had power to inflict any degree of punishment.

In accordance with the provisions of the ordinances, the president, "appointed to reside and preside in the India House," was required to be "a person of note and experience, well versed in the affairs of the Indies," having knowledge of places, of the history, and of the voyage. He bore the title of lordship, and in 1628 an order of the council of war decreed that the president on visiting Cadiz should be allowed a guard of sixteen men and an officer. The president was so careful of his dignity that he never acted jointly with the regent of

Seville on any public occasion, because of difficulties of precedence, and in making visits of compliment he was attended by two judges or commissioners, and the aguaciles were accustomed to go before the coach. All the elaborate ceremonies attending his taking up the duties of his office were carefully prescribed by law. (Veitia Linage, pp. 19, 20.)

Among the duties of the president, one of the most important was the fitting out of the fleets and the armadas. He was, moreover, expected to supervise the embarcation of passengers, taking special care that none should go without a license, and that licenses should not be sold or counterfeited. The general ordinance prohibiting the officers of the India House from engaging, either directly or indirectly, in the trade with America applied to the president as well as to all other officers. The punishment of any president found guilty of violating this ordinance was reserved in the hands of the King.

After the president, the most important officers were the judges, who enjoyed the distinction of being styled "jueces oficiales," a title which all other officers belonging to the West Indies were forbidden to assume. For a number of years they had the power to appoint the high officers of the fleets, but after the creation of the Council of the Indies this power fell into the hands of that body. Yet the admirals and vice-admirals continued subordinate to the judges of the India House. They enjoyed supreme authority only when under sail, "and as soon as in their return they cast anchor in any port of Spain their authority ceases, and is transferred to the judge or commissioner who goes down to receive or clear the ships." (Veitia Linage, p. 26.)

The law not only determined the order of business, but also prescribed the office hours of the members. They were required to be on duty three hours in the forenoon of each day, from 7 to 10, during the season from Easter to the end of September, and from 8 to 11 during the rest of the year. Afternoon sessions were held on Monday, Wednesday, and Friday, and if anyone were absent without just cause it was provided that his salary for that day should be withheld. The rule fixing the hours of the judges were not always observed, for "when there are armadas or flotas to fit out or clear they sit at all times and hours, without excepting the greatest holidays or unseasonable times at night; so that, as no hours are exempt from business upon extraordinary occasions, so when

there is no business they do not sit in the afternoon." (Veitia Linage, p. 27.)

No judge or commissioner was permitted to be absent without leave. At first, while there were only three judges, leave was granted by the King, and the absent judge was obliged to secure a deputy; but later, after the number of officers had been increased, it became customary for the president to grant such leaves of absence as were not for more than thirty days. (Veitia Linage, p. 28.)

The members of the India House were divided into two bodies, called the chamber of direction or government and the chamber of justice. For eighty years, or until the founding of the chamber of justice in 1583, the whole business of the institution was conducted by a single body. During the first fifty-four years of this period this body was composed of three judges, and during the last twenty-six years of three judges and a president. After the creation of the chamber of justice, this body took cognizance of all criminal cases; but cases not involving the King's revenue, nor specified in the laws and ordinances of this court, might be tried before this or any other court, at the pleasure of the parties concerned.

The chamber of justice, as established in 1583, consisted of two lawyers, who were called judges, but were distinguished from the jueces oficiales, or judges by office. A few years later, in 1596, a third judge was added, in order to avoid a tie, and to permit all cases brought before the chamber to be decided. All matters of law and justice were determined by the judges, who were lawyers. If a case were originally brought up in the chamber of direction, and there were developed in the course of its consideration contests belonging to a court of justice, it was immediately turned over to the chamber of justice. In this court suits were terminated with a hearing or a rehearing, but cases involving more than 600.000 maravedis, or $1,500, might be appealed to the Council of the Indies. All cases involving the revenue or duty for convoys, or pay due from the King, or sums in charge of the house, which might not be delivered by an order of a court of justice alone, could not be taken up by the chamber of justice until after they had been presented to the chamber of direction. If it were disputed whether an item of business belonged to the chamber of direction or the chamber of justice, the point in question was referred to the president and

one judge from each chamber. For all matters not covered by the particular laws of the India House, resort was had to the general laws of the Kingdom.

Besides the officers already mentioned, there was a fiscal or solicitor, who has been described as "the King's mouth in causes wherein he is concerned, a check upon those that manage the revenues, a spy upon those who embezzle it, an informer against those that defraud it, an agent to improve it, and lastly a two-edged sword in a civil and criminal capacity to defend the patrimony of the crown." This office was first established in 1546. Before this time one of the commissioners had been appointed to perform its duties. He was required to keep a record of all suits managed by him for the King and to pass it on to his successor. His duties, in fact, were those of a prosecuting attorney, but his action was limited to cases concerning the King or his revenue; and his cases took precedence of all others. One of the duties of the commissioners was to go to the port and dispatch the armadas or fleets, and also to receive them on their return. This was regarded as one of their most unpleasant duties, and was performed in turn, beginning with the eldest. An extra allowance for this service of 6 ducats a day was made to each commissioner performing it, and 12 ducats a day to the president. This duty consisted in inspecting the ships and determining whether or not they were in a proper condition to be sent to sea. If repairs were needed the extent of them was determined and they were ordered to be made. If they were overloaded a portion of the freight was ordered to be removed, and great care was taken that no goods should be put on the vessels after they had been cleared. To prevent this no boats, except those properly licensed, were permitted to go over the bar with the fleet. The commissioner clearing the vessels was required to send to the officers of the King at the ports to which the ships were bound an account of the destination of the ships, what force of men and guns they carried, what freight, and the extent of their provisions. It was the duty of the commissioner, moreover, to prevent the shipment of passengers without the proper licenses from the King or council. In case passengers were shipped without such licenses a penalty of 1,000 ducats was imposed upon the officer under whose command they were carried. The commissioner dispatching vessels was required, moreover, to see that the ships carried

a sufficient amount of provisions and fresh water, and that they were ready to sail at the proper time. Having set sail, all the merchant ships were required to follow the admiral, to approach and salute him every day, and not change their course without his leave "on pain of death and forfeiture of goods." (Veitia Linage, p. 45.)

There was a general prohibition that no magistrate or officer of justice in the Kingdom of Spain should interfere in any matter falling within the jurisdiction of the India House, and that no seaport officers should go on board vessels bound to or returning from the Indies. In going from Seville to Cadiz to dispatch vessels the commissioner took with him one of the clerks and a constable. He made the journey on the barge belonging to the India House or on a vessel hired for him for this purpose.

On the return of ships from the Indies they were received by some judge or commissioner of the Casa. This duty, like the duty of dispatching vessels, devolved in turn upon the several members of the organization. The smaller ships were received in Seville near the Golden Tower. Those that were unable to ascend to this point on the river were received at a place called Barrego, while those that came in fleets were always received in the port of Bonança. (Veitia Linage, p. 47.) In 1589 it was ordered that no one but a judge or commissioner from the chamber of direction of the India House should be given a commission to visit the armadas or flotas. The thorough inspection involved in the commissioner's visit appeared to be necessary in carrying out Spain's protective policy. It involved mustering the men to see if those who had left Spain had returned; also an examination to determine whether the vessels carried the guns and ammunition which under the law they were required to carry, and to find out if they had observed their instructions as to landings or had brought goods not properly entered. The commissioner was also required to determine "whether there was any blasphemous person aboard, or any that kept a wench, or whether they had played at prohibitive games or committed any other crimes." (Veitia Linage, p. 48.)

If on inquiry the commissioner found that the master owed the sailors any part of their pay he was required to command that the payment be made within three days; and if this command was not obeyed the master was arrested and ordered to

pay an additional sum to each person to whom he was indebted for every day of delay in making payment. If it appeared from the oath taken by the master and the crew that any person had died on the outward or return voyage, an account and an immediate delivery of his goods were demanded; and if the goods were not immediately delivered the master was required to pay the amount of their value and forfeit to the King double this amount. In his official inspection the commissioner was required to find out whether any slaves or passengers had been admitted on board the vessel without leave, and whether any Indians had been brought from America. This last was strictly prohibited under penalty of a large pecuniary fine, perpetual banishment from the West Indies, and a payment for the return of the Indians to the province or island from which they had been taken. If the person guilty of this offense was unable to meet the payment for the return transportation he was condemned to suffer a hundred lashes. In case persons belonging on the ships were absent at the time of the inspection, it was at first the practice to have them brought before the president and the court, but later they were brought before the commissioner at the port. The result of this leniency was that often the majority of the men were absent from the muster, and this led to the imposition of a small fine for leaving the ship before the inspection. Not only the merchant ships, but also the men-of-war, were inspected on their arrival, with the view of determining whether they had complied with the prescriptions of the law.

It was incumbent upon the India House to render to the Council of the Indies the earliest possible information concerning the arrival of the galleons and flotas. In pursuit of this purpose, the commissioner at the port, on the first intimation of the approach of vessels, sent out a boat to bring this information, which he at once dispatched by an express to the India House, however imperfect it might be. As soon as the vessels had reached the port a second messenger was dispatched to carry to the India House the number of the ships and a statement of the treasure which they contained. This information having been received by the president, was by him immediately sent to the King. The process of unloading the vessels was indicated in the law with great detail. The chests, with letters and accounts, were conveyed to Seville by a special messenger as rapidly as possible.

The plate is unloaded out of the ships into great vessels called "gavarras" or lighters, that of each galeon apart, an escrivano certifying the bars, chests, or other parcels so unloaded, upon which every boat has its guide, and a waiter appointed to bring it up. This is when the ships unload in the port of Bonança, for if it be done at Cadiz an officer with some soldiers is to be in every boat, the whole cargo being in the charge of the admiral's captain, who goes in one of the said boats, and an ensign or sergeant in each of the others, with such number of soldiers as the admiral shall appoint. (Veitia Linage, p. 52.)

In the first phase of its organization the India House comprised three judges or commissioners. As judges they had some functions in common, but in addition to these each had certain peculiar administrative duties. One commissioner was at the same time the comptroller. He kept a detailed account of all sums received by the treasurer and of all bills drawn upon these sums. He was required to preserve "the entries of ships sailing to or returning from the West Indies upon pain of paying the damage the party shall sustain whose entry is lost." (Veitia Linage, p. 56.) For the management of the affairs of his office he was permitted to have a certain number of subordinate officers and clerks. The most important of these was a deputy comptroller who took charge of all matters belonging to the King's revenue. In case the comptroller was sick or absent the deputy was empowered to sign for him and to dispatch all the business of the office. In appointing deputies to any commissioner great care was taken to exclude all such persons as were in anyway concerned in trade with the West Indies.

Among the other officers subordinate to the comptroller there was one who took charge of the goods of deceased persons, the goods of persons absent, and property left in trust. This officer, whenever the occasion arose through illness or absence, might act for the deputy comptroller. Another officer was charged with making the entries of commodities passing through the India House. There was still another officer whose duty it was to have a book in which was kept a record of persons departing for the Indies, their names, places of birth, and the names of their parents. Another officer or clerk had charge of the credits and the uncoined silver. He also conducted the correspondence between the court on the one hand and the King and private persons on the other. All these officers held commissions approved by the chamber of direction. Such other clerks might be employed in the comptroller's office as were demanded by the business in hand.

Some idea of the details of this office may be had from a list of the books kept in the regular course of business. They were as follows: (1) Books of receipts and expenditure, in which were entered "all the charges, in a very plain and distinct method, mentioning what chest the sum came from, what hands it has gone through, whether it came entire, in what sort of coin, and if it be ingots of gold or silver, in what shapes, upon what terms it was sold, mentioning the particular number of bars or other pieces of gold or silver, with the numbers, fineness, and weight, and whether they weighed the same they did in the Indies." (Veitia Linage, p. 58.) In these books were entered also orders for payments, and these orders were the comptroller's receipts for his disbursements. (2) Books of the revenue derived by the cruzada. (3) Books of the King's private revenue. These contained accounts of the sale of gold and silver ingots which were sold at the treasury. These accounts embraced statements of the number and weight of bars, the persons to whom they were sold, and the dates and terms of sale. (4) Books wherein were entered all the commodities deposited in the warehouses. (5) Books in which were recorded all the resolutions of the chamber of direction. (6) Books of the dead, in which a record was kept of all property that belonged to deceased persons, "stating accounts nicely with the dead, making him creditor for all that is brought over in armadas and flotas, and debtor for all that is delivered to his heirs, executors, and creditors." (Veitia Linage, p. 59.) (7) Books in which were entered the fines and the expenses of the court. (8) Books of passengers, in which were entered the names, birthplace, and parentage of all persons going to the Indies, the places of their destination, and the terms of their licenses. (9) Books of letters, embracing copies of all letters written by the court. (10) Books in which were filed copies of all orders, bills, informations, and certificates. (11) Books in which were entered or filed the commissions of all the officers of the India House. (12) Books in which were filed copies of all naturalization papers that had been issued to persons to enable them to participate in the trade with the West Indies. (13) Books in which were charged all utensils and goods delivered to the chief pilot, cosmographer, and other officers. (14) Books in which were kept accounts of the loading of all ships.

Another commissioner held the special office of treasurer, and whatever money was received from the sale of gold, silver, pearls, and other products of the Indies was committed to his custody. The treasurer and the other commissioners were required to give bonds to the amount of 30,000 ducats each, and the treasurer, as the receiver of the money of deceased persons, an additional bond of 15,000 ducats, while of the subtreasurer there was required a bond of 10,000 ducats. The treasury chamber, to which the laws make frequent reference, was a room with barred windows and double doors. Each door had three unlike keys, which were distributed among the commissioners.

Payments of money belonging to the Crown were made on orders issued by the King, "passed by the councils of the West Indies and of the revenue in such manner that the Council of the Indies gives an order for the gross sum, and then that of the revenue grants particular warrants to those that are to receive it. These warrants are presented in the chamber of direction, where assignments are given upon the treasurer." (Veitia Linage, p. 62.) The sums belonging to deceased persons which came into the hands of the treasurer were very great during the early decades of Spanish dominion in America, and it became customary to make loans from this store. In 1633 the King had borrowed from it more than 500,000 ducats, and all the pressure that could be brought to bear upon him was inadequate to make him restore it. It therefore happened that persons holding valid claims against this fund could not recover what was due them because the fund itself had been exhausted by loans to persons who, like the King, either would not or could not meet their obligations. In order to avoid complications and embarrassment from delayed claims, steps were taken to insure that the most efficient means possible should be taken to discover the heirs in all cases; but in case they did not appear or were not discovered within two years after inquiry for them had been instituted, the property of such deceased persons should be regarded as forfeited. The property of deceased persons here intended included not only that of persons who had died in the Indies, but also that which had been left by passengers, sailors, and others who had died on the outward or return voyage. For managing this property the treasurer, by a decree of 1671, was granted a fee of 1 per cent of all that came into his hands.

The third of the three judges or commissioners who at first constituted this court of trade held, in addition to his office of commissioner, the special office of factor or manager. His principal function was to purchase, on behalf of the King or the King's officers, commodities needed for the King's service in America. If a governor or any other officer of the King's appointment in the Indies had need of any material from Spain for the proper conduct of affairs in his department of the public service, he sent to the factor at Seville or Cadiz, who purchased the desired articles and sent them to him by the ordinary means of communication. The factor, moreover, was charged with all commodities brought from the Indies for the King, or bought by the King's orders to be sent thither, except gold, silver, and precious stones. These were consigned to the treasurer. Using the King's arsenal as a storehouse for the things received, the factor was accustomed to deliver them on an order from the King, the council, or the chamber of direction. The actual care of the commodities was confided to a deputy of the factor, who occupied an apartment in the building in which they were kept. Although the King's gold and silver were in the custody of the treasurer, yet if any of it was to be melted down at the mint the supervision of this work devolved upon the factor. And he had, moreover, the control of the funds advanced by the King for carrying ecclesiastics to the Indies and furnishing them those things which they might need and to which they were entitled under the law.

One of the important articles of trade between Spain and the Indies was quicksilver, which was extensively used in the production of silver. The trade in this particular commodity was monopolized by the King, and no other person might engage in it, under penalty of death and forfeiture of property. It having been found that the mine of Almaden did not produce enough to supply the demand of New Spain, it was determined to make up the deficiency from the mines of Peru. For three or four years, therefore, quicksilver was carried from Peru to New Spain, and, as a part of this transaction, goods of various kinds were carried from New Spain to Peru, thus violating the law prohibiting trade between these two countries. Although this trade may have been mutually advantageous to the two colonial kingdoms immediately concerned, it was nevertheless regarded by the King as detrimental to the interests of Spain, and was consequently suppressed. The

subsequent failure of the Peruvian mines caused the Indies for a certain period to be supplied entirely from Europe, principally from Germany and the mine of Almaden. Whatever part was sent from Spain passed through Seville, and was prepared for shipment under the care of the factor or manager of the India House. The manner of putting it up has been described by Veitia Linage:

> Every half quintal, or half hundred, is put into a sheep's skin well bound with hempen cords, and that into a tight cask, nailed down, and three of these casks containing a quintal or an hundred and an half into a chest, which, being nailed and bound over with hempen ropes, is wrapped with coarse mats and bound over again. Upon every chest is fastened the King's arms painted on linen cloth, and these chests are for New Spain; for those carry but a quintal that are for the Firmland. (The Spanish Rule of Trade in the West Indies, p. 68.)

To avoid the danger of the skins rotting it was found advisable not to form the packages until the ships were ready to sail.

> A commissary was appointed to go in the ships that carry quicksilver, who gave bonds to the factor for the delivery of them to the King's officers at the port they were destined for, and to make good the deficiencies of the regular convoy duty the masters were obliged to pay for such goods as they take aboard. These commissaries were appointed by the president of the India House, and being brought before the chamber of direction gave security; and for their trouble and hazard were allowed 12 ducats for every 18 quintals, accounted a ton, which was paid by the King's officers where they delivered the quicksilver. (Ibid., p. 69.)

For one hundred and twenty-two years the organization known as the India House consisted of three commissioners, who, as already indicated, filled the several offices of comptroller, factor, and treasurer. In 1625 Philip IV added the Duke of Olivares to the list of commissioners, at the same time conferring upon him the office of chief aguazil, which was made hereditary to the immediate heirs of his family. The list of judges or commissioners was also increased by the creation of the office of chief alcayde, or keeper, which was conferred upon the Count of Castrillo and made hereditary to his heirs forever. It devolved upon him, among his other functions, to appoint the doorkeepers of both the chamber of justice and the chamber of direction and their assistants, the doorkeepers of the office for convoy money, the porter at the gate, the keepers of the treasury chamber, and certain other officers of the custom-house and port, all of whom had previously been appointed by the president of the Council of the Indies.

The attitude of Spain toward trade and traders was such as to furnish a positive hindrance to commercial development, and in the course of time the Spaniards had to lament that, through their failure to honor and encourage merchants, most of their trade had fallen into the hands of foreigners. In view of the tendency toward this result, certain special privileges were extended to Spanish merchants trading with the Indies. Among these privileges may be noted that of deferring payments to creditors in case of misfortune causing considerable loss. Any person who had been granted this privilege through letters of license was accustomed to pay 5 per cent per annum on the amounts of the payments deferred.

It was one of the rules of transportation that goods must be landed at the port to which they were consigned, and if they were permitted to be sent to adjacent ports, it was required that they should be sent thither in other vessels than those which carried them from Spain. Goods brought from the Indies consigned to the King were always introduced into Spain free of duty. Provisions and other commodities sent for the use of the soldiers in the garrison in Florida also paid no duty. After import duties had been removed, it was customary to allow goods for use in Spain to be taken from the ships wherever they might come to anchor. But goods imported for reexportation had to be brought to Seville, that arrangements might there be made for the duty of exportation. In the later times the duties were so exorbitant that the officers did not pretend to collect the full amount. It appeared from experience that by this means the maximum revenue would accrue to the State, because of the extraordinary efforts that were made to escape payment altogether when the full duty was demanded.

Important among the burdens imposed upon the commodities involved in the trade between Spain and the Indies was the haberia, or duty levied on the goods carried in order to meet the expenses of the convoy. It was first imposed in 1543, and was then at the rate of 2½ per cent, and in 1587 it was raised to 7 per cent. After the sea had become somewhat more safe by the cessation of hostilities between England and Spain the rate of convoy duty fell to 6 per cent, but it appears to have risen again in the first half of the seventeenth century, for by a decree of Philip IV, dated 1644, it was ordered that this duty should not exceed 12 per cent. All commodities

whatsoever carried to or brought from the Indies, not excepting those belonging to the King himself, were required to pay this duty. No goods were delivered until the duty for convoy had been paid, and this was exacted although the goods had on another account been forfeited. Yet silver and commodities consigned for the holy places at Jerusalem and for the redemption of captives were exempt from this duty. The collecting and accounting for this duty was at one time intrusted to the commissioners of the India House, but after 1572 it was placed in the hands of a special commission of five persons, who sat in a chamber of the India House, which had been appointed for their use.

Besides the functionaries already mentioned there was also a proveedor, or commissary-general, whose duty it was "to order all payments for provisions bought," and to see that no more provisions and stores were taken on board than were needed for use. This officer was subordinate to the president and commissioners of the India House, and all agreements which he might make required their approval in order to be valid. He was permitted to employ four agents or under-commissaries, and was required to render an account of all provisions turned over by him to the officers of the ships taking charge of them. Such provisions were free from all duties. The proveedor might appoint a deputy to act in his absence, and also two clerks, when the amount of the business demanded it.

Among the other persons employed in connection with the shipping to America mention may be made of the superintendent of the workmen engaged in the shipyards. He was expected to examine the ships needing repairs and to oversee the work of repairing, preventing waste through dishonest work or the stealing of material. The master carpenters and master calkers were appointed by the King, on the recommendation of the commissioners of the India House. They were paid by the day whenever they had work. There was also a storekeeper, who had charge of all provisions and materials for fitting out ships, and who delivered them as they were needed "from the time the ships began to be fitted till they sailed." During part of the colonial period there were two of these officers, and at other times three.

The visitors of ships were important officers of the India House. They have been described as next to the commissioners

in dignity. They were required to be "expert and skillful" in fitting out ships, to inspect them, and to determine the number of men and the amount of stores, arms, and ammunition that should be put on board of each. Before leaving for the Indies each ship was required to have a license from the president and commissioners of the India House, and to have been examined either by the president and commissioners themselves or by the visitor. The ship was examined before it was loaded, in order that it might be seen if it were seaworthy in all respects and well ballasted. In addition to these precautions it was provided, in 1609, that no ship under 200 tons burden should be admitted to the convoyed fleet. It was customary to have every ship visited three times.

> The first visit was for the visitor to appoint how the vessel was to be fitted; the second, to see whether all had been performed that was ordered; and the third, to clear it for sailing. (Veitia Linage, p. 98.)

The third visit was that already referred to as made by the president or one of the commissioners of the India House. He was accompanied by a visitor, who was to see that the ships were not overloaded, that no freight was carried on deck, that a sufficient amount of provisions had been taken on board, that the vessels carried the requisite amount of arms and no more, and that they had on board no unlicensed passengers or wares not properly entered. At the sailing of a vessel the business of the visitor with reference to it was ended, for on the return of the ships the visitor had nothing to do with them. (Veitia Linage, p. 99.) In addition to these officers there was a large number of clerks and other subordinates, who had in hand the mass of details relating to the trade between Spain and America.

Concerning emigration to the Indies, it was provided in 1511 that any subject of Spain, on properly entering his name, might be allowed to go to the Indies. But later, in 1518, in 1522, in 1530, and in 1539, orders were passed involving restrictions, in accordance with which the bar of exclusion was raised against all persons newly converted from Judaism or Mohammedanism to the Catholic faith, against the children of such persons, or the children and grandchildren of persons who had worn the St. Andrew's cross of the Inquisition, and against the descendants of any person who had been burned or condemned for heresy. Any person violating these provisions was liable to

forfeiture of property, a hundred lashes, and perpetual banishment from the Indies. To prevent violations of the restrictive laws concerning emigration it was provided by a royal order of 1522—

> That for the future the judges or commissioners of the India House should not suffer any person whatsoever, though of such as were allowed or though he had the King's letters of license, to go over to the Indies unless they brought certificates from the places where they were born, to make appear whether they were married or single, describing their persons, setting down their age, and declaring that they are neither Jews nor Moors, nor children of such, nor persons newly reconciled, nor sons or grandsons of any that have been punished, condemned, or burned as heretics or for heretical crimes, such certificates to be signed by the magistrates of the city, town, or place where such persons were born. (Veitia Linage, p. 108.)

A few years later, in 1559, the prelates in the Indies were instructed "to inquire whether there were any Jews, Moors, or heretics in those parts, and to punish them severely." And in 1566 all the sons and grandsons of heretics were excluded from offices or places of trust.

All magistrates, captains, pilots, masters, mates, or other persons aiding in the violation of these restrictions on emigration were subject to a great variety of penalties—fines, lashes, banishment, imprisonment, and transportation to Spain—which were increased to such an extent that in the beginning of the seventeenth century it was decreed that passengers who should go to the Indies without the proper leave "should be sent to the galleys for four years, or, if they were persons of quality, to Oran for ten years." This penalty should also be imposed upon masters of ships, and in addition a fine of 1,000 silver ducats. In 1607 it was provided that any sea officer carrying passengers to the Indies without leave should be punished with death. But in the course of time the extreme rigor of the law was abated in favor of a pecuniary fine. Yet the severer measures continued to have supporters, since the removal of restrictions caused the countries to be overrun with peddlers, who cut off more or less of the trade of the established merchants.

The president and commissioners of the India House, without reference to the King, might grant leave to go to the Indies to mestizos who had been brought to Spain; to merchants, even such as were married, provided they had permission from their

wives and left 1,000 ducats as a guaranty that they would return within three years; to agents of merchants in the Indies, but only for three years, and to inhabitants of the Indies who were known to have wives there. Any other person required a license from the King.

When the question arose as to what persons should be regarded as merchants, the title was interpreted so as to include anyone who had shipped goods rated for the payment of duties at $750 or more. Married women whose husbands were living in the Indies might go to them and be accompanied by a kinsman within the fourth degree of consanguinity; but in case the husband went to Spain for his wife he was not permitted to return without a license from the King; and the privilege of going to the Indies was strictly withheld from all single women.

Although the president and commissioners of the India House might permit merchants to go to the Indies without their wives for a period of three years, provided they had the consent of their wives and left the guaranty of $1,000, yet no other married man, not even a governor or other officer of state, was allowed to go without his wife, except under an express dispensation from the King. And without this dispensation the wife of the highest officer, as well as the wife of the ordinary man, was required to bring the same proofs of identity that were required of the men.

How rigid was the restriction imposed on emigration may be seen from the fact that although one held a commission for employment in the Indies, and even a pass from the King, he was not permitted to sail without a license from the India House. It was not, however, to be expected that all persons would bring their certificates of qualification in the exact form required by the law. And when there were deficiencies in the papers presented, such deficiencies were sometimes supplied by information gathered by the officers of the India House; and sometimes, in order to avoid the great inconvenience that might be caused by delay, a pass or license was issued on the receipt of satisfactory security that certificates in due form would be subsequently forwarded from the proper sources.

The rules governing the passengers on the voyage required that they should carry their own provisions, and the masters of ships were prohibited from undertaking to furnish them food. The passengers were, moreover, required to swear that they

would not remain at any port at which they might stop on the way to their proper destination, and that they would not carry their goods ashore before they had been examined. If one carried a license to reside at a specified town in the Indies, he was expected to reside there: and if one pretended to be going to the Indies to exercise a certain handicraft, he was obliged to follow it. (Veitia Linage, p. 113.) And there were also rules prohibiting persons from going from one province to another without leave from the King. Similar restrictions were imposed upon persons going from the Indies to Spain. They might not leave without permission "from the viceroys, presidents, or governors of the places of their habitation." And the governors of seaports were prohibited from granting leave to any person not residing in their jurisdiction, except on the presentation of a license from the civil officer within whose jurisdiction he lived.

By an ordinance of 1560 it was provided that persons going to the Indies without license should forfeit to the Crown all property acquired there, with the exception of one-fifth part, which should go to the informer; and they should, moreover, be arrested and sent as prisoners to Spain at their own expense. Neither they nor their heirs might receive goods sent to them; and, in accordance with a bull issued by Alexander VI, they were declared to be excommunicated.

If the royal ordinances which touch on the ecclesiastical affairs of America indicate the will of the Spanish Kings in this matter, they were moved with a strong desire to promote the religious welfare of the Indians. Presupposing this desire, the restrictions which were placed on the emigration of friars and priests appear as means for preventing any but those of virtuous and exemplary lives from going to the Indies. These restrictions were carried out through orders to the commissioners of the India House not to allow the friars of any order to go without a license. Persons attempting to avoid this provision were seized and sent back to Spain. As early as 1530 an order was issued to the commissioners of the India House requiring them not to permit foreign friars to go to the Indies, even if they had leave from their superiors. This prohibition was confirmed by later ordinances, under which it was required that all applications by ecclesiastics for passes should be referred to the Council of the Indies. In 1664 the privilege of entering upon missionary work in the Indies was granted

to Jesuits under certain restrictions. The members of the religious orders who went to America under these conditions went at the King's expense, but they were obliged to restore to him the amount of his outlay in case they returned to Spain without leave. In the course of time, by reason of the rise of prices, the allowance which had been granted in the beginning for these expenses was found to be quite inadequate, and whatever further amount was needed by the friars was made up by the orders to which they belonged.

Friars of the order of Carmelites who went shod were specially prohibited from going to the Indies, but this prohibition did not stand against the barefooted friars of this order. After the beginning of the seventeenth century the prohibition was made to apply to all orders which had not already established monasteries in America. By an act of the council it was provided, in 1665, that no friar having returned from America to Spain would be allowed to go back, even though he had a license, unless on his arrival in Spain he had reported to the council the cause of his return. The long list of ordinances limiting the movements and general activity of the members of the religious orders indicates to what marvelous lengths and into what minute details Spain's restrictive system extended.

In keeping with the restrictive policy of the Spaniards, all foreigners were forbidden to trade with the Indies without a special license from the King; and having obtained such a license, they were limited to dealing in their own wares, and might not, even if naturalized, become owners or masters of ships. By foreigners were meant all persons not born in the Kingdom of Castile, Leon, or Aragon. Later the territory to be born in which constituted one a native in the meaning of the law was extended so as to include Navarre, Valencia, and Catalonia. The class of persons known in Spain as natives was further extended by the decree of 1562, and made to embrace such foreigners as had been settled householders in Spain for ten years and had married a Spanish or an Indian woman. But residence, even for more than ten years, did not confer this privilege on bachelors. In 1608 the line was drawn somewhat more strictly. Twenty years of residence, including ten as a householder, were required; also marriage with a native or with a daughter of a foreigner born under Spanish dominion.

In order to avoid the effect of these provisions foreigners who were "not capacitated to trade, contrary to the known laws, sold their commodities to subjects and natives of these kingdoms, to be paid for them in the Indies, by which means the gold and plate brought from those parts was carried to other countries, and that very often before it came into Spain." (Veitia Linage, p. 127.) This practice led to the passage of special ordinances prohibiting it. These were confirmed at different times, and death and forfeiture of goods fixed as penalties for their violation. An attempt was, moreover, made to prevent foreigners from trading in the Indies by ordering that persons residing there should not purchase commodities of foreigners, on pain of forfeiting half their property and of being returned to Spain as prisoners. By a later law foreigners were forbidden to reside in the Indies, and those already there were expelled; yet in the course of time the harshness of this law of expulsion was toned down by lax execution. In spite of the severe measure taken against foreigners attempting to trade with the Indies or residing there, it was decreed that foreigners residing in Seville and at adjacent ports, although they might not engage in the India trade, should nevertheless be obliged to contribute to the fitting out of armadas and fleets and to all other expenses borne by the Spaniards.

The intimate relation between the King and his American dominions necessitated a regular organized system of postal communication. As early as 1514, by a royal warrant, Dr. Galindez de Carvajal was made postmaster of the Indies, and by a subsequent order of the Council of the Indies, issued in 1525, all persons were restrained from interfering with him in the dispatch of messages concerning the affairs of the Indies. The lines of this service covered the distances between Seville and the other ports and Madrid, as well as the distances between Spain and America. The postmaster of the Indies was an officer of the India House. His duties were "to receive all dispatches sent by the president, commissioners, or other officers, or by the prior and consuls, and other persons trading, to the Indies." He provided means for sending messages to the court and to the various ports by keeping post horses at certain stations. The service was rendered by persons appointed by the postmaster, who were prohibited from making any charges above the rates fixed by law. The customary

speed at which messages were transmitted under this system was thirty leagues a day. Rigorous laws enjoined all persons from intercepting and opening letters and packets. Of the amount paid for this service the postmaster was allowed one-tenth part.

The laws and ordinances contain abundant details concerning the organization and control of the royal navy and fleets of merchant ships engaged in furthering the India trade. The admiral or captain-general held the chief command, and while on the sea was clothed with power which was essentially absolute; yet he was under oath "that he would not avoid death in defense of the faith, of his master's honor and right, and of the public good of the kingdom." The admirals and vice-admirals, before beginning to exercise the functions of their offices, were obliged to present their commissions and instructions to the officers of the India House, and to furnish the required security that they would faithfully perform the duties of their offices, or meet whatever fines might be imposed upon them. The amount of the security demanded varied according to the dignity of the office, ranging from 300 ducats, in the case of the physician, to 5,000 ducats in the case of the admiral.

After having crossed the bar of San Lucar, the admiral's vessel took the lead, the other vessels followed, the ship of the vice-admiral held her position in the rear, and the other men-of-war kept to windward of the merchant vessels. If any ship strayed from the fleet, a fine was imposed upon certain of her officers, and they were excluded for a series of years from making this voyage; but if a ship was willfully taken from the fleet, the guilty officers suffered death and forfeiture of property. After putting to sea the admiral or vice-admiral examined all the ships. If goods were found that had not been properly entered, they were confiscated; and if passengers were found without license, they were set on shore at the Canaries, and sent back to the prison of the India House.

The effect of the restrictive policy as carried out through the India House was disastrous to both Spain and her American possessions.

The population of Spain declined, her manufactories were ruined, her merchant marine ceased to exist except in name, her capital was diminished, foreigners carried on her commerce by means of contraband, and all the gold and silver of the New World found its way to other countries than Spain. (Mitre, Historia de Belgrano, I, p. 23.)

Professor Cairnes says that "about the middle of the eighteenth century," when, according to Robertson, "the exclusive trade to America from Seville was at its height," the freight that was carried to America in the legal traffic of Spain with her colonies "did not exceed 27,500 tons." (Political Essays, p. 12.)

To surround the violation of commercial regulations with all the terrors of the law, it was provided that in case foreigners should succeed in entering Spanish American ports the inhabitants should not trade with them, on pain of death and confiscation of property. But these laws were not effective. The number of foreigners in the seaport towns and the amount of foreign trade increased, and in certain quarters, particularly at Buenos Ayres, the contraband trade very early exceeded the legal trade with Spain. In fact, the city of Buenos Ayres outran in its growth other towns because of the great advantages of the contraband trade over the legitimate trade.

Not only in commerce, but also in agriculture, was the Spanish policy restrictive. As late as 1803 orders were received in Spanish America from Spain to root up all the vines in certain provinces, "because the Cadiz merchants complained of a diminution in the consumption of Spanish wines." (Hall, Journey, II, p. 244.)

Spain objected also to the cultivation of tobacco in Spanish America, and the inhabitants were prevented from raising flax, hemp, or saffron. The cultivation of the olive was forbidden, lest it might limit the market for Spanish oil. If in Buenos Ayres the inhabitants were allowed to cultivate grapes and olives, it was only "by special permission, and only in sufficient quantity for the table."

The Spanish policy with reference to the American possessions not only imposed restrictions on industry and commerce, but also on the movement of population. The violation of laws concerning this latter subject was punished with confiscation of property, one-fourth of which went to the informer and the rest to the royal treasury. Although the policy respecting migration reveals a vicious tendency to hedge about popular movement with too many restrictions, it must be admitted that some of the regulations indicate a humane spirit on the part of the makers of the law. Such was the requirement that no slave who was married should be allowed to go

to the Indies without his wife and children. The restrictions on emigration necessitated a slow increase in the population of the Spanish colonies, and thus permitted a more complete assimilation of the Spaniard to the Indian type than would have been possible had the emigration to the colonies been unrestrained and rapid.

But the people of Spanish America complained that the restrictions which were imposed upon them sacrificed the well-being of a continent to the ignorance and selfishness of the Spanish court and its privileged adherents. If a settler on the bank of the Rio de la Plata wished some article of European production, for a long time the route by which it could reach him in the course of legitimate trade was from Seville to Porto Bello, from Porto Bello across the Isthmus to Panama, from Panama to Lima, and from Lima across the continent to its destination. The effect of this, except in a few favored places like Lima and the City of Mexico, was to prevent the use of European wares and to compel the settlers to accept such substitutes as they were able to produce or obtain from the Indians. In other words, the trade restrictions which were imposed upon the colonists, instead of permitting them to start with the advantages of the achievements of European civilization, in many cases drove them back to the barbarism of the aborigines and doomed them to go over again the painful way up to civilization which their ancestors had trod in Europe. To go from Spain to America, except to a few privileged places, was not merely to go into exile, but even to renounce civilization. And not only this; for by reason of the restrictions placed on agriculture and the industries, as well as on trade, one was not given a free hand with which to work his way forward. It is true there were no legal hindrances to the raising of cattle on the vast and fertile plains of the Argentine. But the natural ports of this region were closed, and there was no outlet toward the civilized world for the products of these ranges except across the continent to Peru, over the Isthmus to Porto Bello, and from Porto Bello to Spain once a year. With a limited population and no exit, and with practically unlimited herds, the value of these herds disappeared. In the early years of the eighteenth century, even after the port of Buenos Ayres had been opened to the extent of admitting two small vessels annually, an ox was

worth $1, a sheep from 3 to 4 cents, and a mare 10 cents. The prices had risen to this amount from a still lower point under the influence of the demand made by these vessels for hides, strengthened by the larger demand of the contraband trade of the English and Portuguese. It was clear enough to the people of the Argentine that to them a closed port meant poverty and a free port prosperity. Their opposition to the Spanish policy, and, in fact, to the Spanish rule, which appeared in the beginning of this century was no sentimental opposition, but rested on the hard basis of economical considerations. As economical considerations were conspicuous in the motives of the Dutch in revolting against the authority of Spain, and furnished also an important ground of the action which the thirteen English colonies took against the mother country, so the industrial and commercial restraints with which Spain hampered the economical development of South America constituted a standing grievance and had great weight in ultimately determining the people to make themselves free. The intensity of the evils of restriction was decreased in the course of time, but for this no thanks were due to the authorities of Spain. The Spanish policy failed because it involved an irrational scheme. It failed because it undertook permanently to contravene the normal operation of economic forces. It broke of its own weight, and it left the people to whom it had applied with a weakened sense of their obligations to uphold the law.

The inhabitants of Spanish America, with unimportant exceptions, revolted against the protective system which had been imposed upon them. Prominent among the exceptions were the little towns of Panama and Porto Bello. As long as all trade to the greater part of South America had to pass the Isthmus, these ports, as points for the collection and distribution of the wares involved, maintained a degree of relative importance. They were naturally interested in the continuance of the royal policy. But the great bulk of the people desired freedom. They saw that governmental restrictions on trade were likely to be made in the interests of a few persons, or of certain limited sections. Buenos Ayres, standing on the Atlantic shore facing Europe, objected to being made by law the extreme frontier, and the insignificant concession of 1618, which permitted two ships of 100 tons each to enter the port

annually, failed to satisfy their commercial ambition. The inhabitants of this and other isolated provinces recognized that the commercial regulations violated their interests, and they were driven to decide between upholding a law which sacrificed their well-being and giving countenance to a violation of this law through which would come prosperity and progress. The result here was what might have been expected. The vast extent of the border of Spain's possessions made it impossible for her to guard it efficiently. Smuggling could, therefore, be carried on with impunity, and the high prices which had been given to European wares in America by the system of restriction constituted a sufficient inducement to lead the merchants of other nations to engage in contraband trade.

The discovery of the passage around Cape Horn opened new currents for the trade with Spanish America. With this, the Pacific ceased to be an inland sea of the Spanish dominions, reached only by crossing Spanish territory. It was entered by all nations, and the doctrine of the freedom of the sea, which was later formulated by Hugo Grotius, was introduced in practice. Here was the beginning of the end of Spanish monopoly. Both the eastern and western coasts of South America were infested with English, French, Portuguese, and Dutch traders, who carried their contraband wares to nearly every Spanish-American port; but nowhere were the effects of this smuggling more marked than in the development of Buenos Ayres. Here the commercial nations, by trading either directly or through the Portuguese settlements in the neighboring territory of Brazil, particularly through Colonia, gathered, as General Mitre has said, "the best fruits, which Spain in her blindness denied to herself." "The contraband trade constituted the true commerce, and its operations were carried on with the regularity of a lawful act for the protection of the common interest. The merchants of the port had agents for this purpose in Rio Janeiro and Lisbon, and even in Seville;" and the traffic was conducted in complete security, undisturbed by the authorities, who were unable to suppress it, and "had to tolerate it or consent to it, as a fact or as a necessity." (Mitre, Historia de Belgrano, I, p. 42.) Nowhere else in the history of the world has contraband trade been so

regularly and thoroughly organized as here. Under it, to use the words of Merivale—

> Buenos Ayres rose from an insignificant station to a considerable city, merely from being the center of the contraband traffic between Europe and Peru. The Spaniards guarded their coasts with an expensive maritime force, while they resorted in the interior to the strange measure of making smuggling an offense cognizable by the Inquisition. But all such efforts were fruitless to check the force and violence of the ordinary trade. The flotas and galleons sank to insignificance; and their owners were glad to make these licensed squadrons serve for introducing the contraband commodities of other nations. (Colonization and Colonies, pp. 15, 16.)

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